

Fear the Fear Factor...

It's been really interesting to read many of the responses that I have received from people who have read my first few contributions here on Singing Pig.

The dominant theme – by a long, long way seems to be peoples' fear of very bad things happening to them should they get into, not only, property investment, but also any kind of business which they may have been pondering over.

However, the vast number of comments that I have received have been involving property – and the 'what if' scenarios that seem to haunt many people – and stop them moving forward in property.

The 'dark thoughts' that people allow themselves to be haunted with!

These comments have come from people who are 'standing on the edge' of this business, looking in. And whilst logic tells them that if they operate in exactly the same way that proven long-term successful investors operate in this business – in other words – if they copy them then they should see no reason not to experience similar success – they have something holding them back from actually moving forward and getting in the game.

It's called fear.

This is nature's way of forcing you to 'look before you leap'. It can be a great defence mechanism. It's great when this mechanism kicks in if, you were, for instance, thinking of jumping of a large building just for the fun of it – not recommended obviously. In an instance like that, nature has served you well!

However, if we take an instance of Mother Nature talking you out of buying just one – your very first – rental property – a property that is heavily discounted, requires none of your own money putting into it, has great rental potential (possibly with a ready made tenant in situ from day one too) – then she is doing you a great big disservice!

She's nannying you to the point of destruction.

We weren't put on this planet with the intention of us going out sourcing lots of properties to invest in over time. It's an uncommon trait in the vast majority of people. Our natural instincts and traits tend to lead us generally to look for shelter, food, etc. We are conditioned to prioritise the requirements to fulfil our basic needs.

But surely, why get worked up over the thought of doing something different from most people – and starting to consider at least, building a portfolio of property investments?

But, I confess, I've been there. My very first rental property that I bought made all the sense in the world, whilst I was researching the idea.

However when it was time to part with my hard earned cash (yes - I confess...the first one for me was bought at a massive 5% discount off asking price -effectively full market value, and, with a 15% deposit paid too) things took on a different complexion.

I convinced myself that one the day that I completed on the house that the market would collapse, all potential tenants would decide that buying was better than renting and also that anything that could go wrong with the house (it was only 5 years old!) - would indeed go wrong!

All of my logical, research, due diligence and general calculated approach that I had used to research the power and wealth creating effects of acquiring properties, over time, decided to abandon me at that moment.

How annoying is that?

This was a critical time for me. I knew deep down my fears were unfounded. I had taken a calculated decision to do what I was supposed to - yet here was Mother Nature's chance to knock me back down.

It was pretty exciting to act against my ingrained natural instincts - the instincts that hadn't really served me that well financially up until that point of my life anyway.

It seemed to be a devious thing to do!

Here's what I did.

I wrote out the cheque for the deposit and congratulated myself that I had just engineered a paper profit of about £5000 (highly unlikely - as I say I probably simply paid full market value).

I paid my deposit and exchanged contracts.

And you know what? I'd like to tell you that I was immediately relaxed and cool about the whole thing.

I panicked even more!

But this time it was different. We'd exchanged contracts by now - I was committed - I probably saw it as being trapped at the time. This time I was frightened in an excited, almost perverse way. A bit like as you approach the top of the scariest part of 'The Big One' at Blackpool Pleasure Beach - the part just before you go over the edge.

There's no going back. You're scared - but also know that things are going to be ok too.

I call this 'making yourself uncomfortable' in order to move forward.

If you attempt to move outside your natural comfort zone, then by definition you will, albeit temporarily, until you get used to the new situation force yourself to be uncomfortable.

I bet you're thinking now....

'He's going to tell us how he took possession of the house, found a perfect tenant within a couple of days and sat back and watched the property market begin its swift ascent price-wise'

I wish I could, but in reality it took almost 2 months to get the property tenanted. House prices were static for at least 18 months too.

However, it didn't bother me...how could it? I was *stuck* with the house!

Deep down though, I knew that I had done the right thing - I had forced myself to be in a position where I was now in the game whether I liked it or not.

The pay-off came later, and it was whilst I was walking to the house tonight (its one minute from where I live) to collect the rent from my *almost* perfect tenant that I recalled my feelings all those years ago.

So, even though I committed what today would be seen as 2 cardinal sins by property experts because....

- I paid full market value
- I paid more than the required deposit - I thought that was clever then.

I now have a property that is valued at more than 3 times what I paid for it.

Also, I soon refinanced out my deposit after I learned a bit more, and taught myself to work smart. It also throws off a very healthy positive cash flow per month - due to rising rents and a static mortgage combining, over time, to work healthily in my favour.

However, this property will always, no matter what, be the most precious and valuable one in my portfolio.

I think you know why...because it was the one that made me take the plunge and wipe out any of my fears.

Fact is....it gets easier as you 'collect' more houses. I've heard dozens of other people say the same. It's got something to do with safety in numbers etc.....I'm sure you can understand my point here.

If I've not made my point by this point...then I never will.

Spectate or speculate?